



James C. Greenwood  
President & CEO

May 6, 2014

The Honorable Kevin Brady  
301 Cannon House Office Building  
United States House of Representatives  
Washington, DC 20515

Dear Representative Brady,

On behalf of the Biotechnology Industry Organization (BIO) and its 1,100 members, I am writing in strong support of your American Research and Competitiveness Act (H.R. 4438). I want to thank you for introducing this important legislation, which would strengthen and make permanent the R&D Tax Credit.

The R&D Credit is a vitally important incentive that spurs private-sector funding of the search for new cures and treatments in America. Groundbreaking research supports millions of high-paying jobs in the biotechnology sector, as 70 percent of credit dollars are used to support salaries. The R&D Credit is pro-innovation, pro-growth, and pro-America, and BIO members strongly support it.

However, constant uncertainty about whether the R&D Credit will be extended makes tax planning extremely difficult for companies preparing their development program. Additionally, the incremental nature of the Credit limits its utility by making it complicated and expensive to administer and comply with.

Making the Credit permanent would recognize its vital role in supporting America's innovation economy while providing certainty for businesses working toward the next generation of medical breakthroughs. Further, simplifying the Credit and increasing the ASC rate will make U.S.-based R&D more attractive relative to the research incentives offered by America's competitors. BIO supports your bill because it makes these vital changes that will incentivize life-saving R&D and stimulate America's innovation ecosystem.

BIO applauds you for your support of the R&D Credit. A permanent, enhanced Credit will encourage scientific advancement and support job creation at innovative businesses across the country.

Thank you again for introducing this important legislation and we look forward to working with you on this issue in the future.

Sincerely,

A handwritten signature in black ink that reads 'Jim Greenwood'.

James C. Greenwood  
President and CEO